

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 080**

**UNITED STATES BRANCH**

BA:BK November 3, 2010 No. 327

Via E-Mail

**GOVERNING BODY**

Re: Property Update for October 27 to November 2, 2010

Dear Brothers:

Please find enclosed the weekly property update.

**Warwick Property**

Preparations are being made for the visit by members of the Town of Warwick Planning Board on Saturday, November 6. As you directed, a brief video will be prepared showing the proposed layout so that any of the Governing Body can view it at their convenience.

The brothers are awaiting a response from the power company concerning your inquiry in HTA:HPF October 13, 2010, about the cost of putting the power lines underground. The Planning Study, which provides an overview of the project scope, will be sent to you shortly for your comments and approval. In the meantime, work has started on the individual building Design Programs. We are also working with our design consultants to incorporate the adjustments you requested in the Main Lobby. As the Draft Environmental Impact Statement (DEIS) is progressing, contact is being established with local emergency services, such as the fire department, for information concerning their resources and requirements.

**Ramapo Property**

The brothers formally notified the previous owner to repurchase the property at a meeting with him on Monday, November 1, 2010. The previous owner did not expect this but made the comment that he thought we might be asking for an extension instead. He now has six months to repurchase the property for \$11.5 million, and the terms of the contract allow him to purchase up to six one-month extensions. We will keep you apprised of any developments.

Thank you for considering this update.

Your brothers,

**Signed by Leon Weaver, Jr.**

For the U.S. Branch Committee

cc: R. Devine  
A. Reinmueller  
D. Rice

# Watchtower Bible and Tract Society of New York, Inc.'s Initial Disclosures—Exhibit A

## **Document 081**

**COPY**

**WATCHTOWER**  
Bible and Tract Society of New York, Inc.

Legal Department  
100 Watchtower Drive, Patterson, NY 12563-9204, U.S.A.  
Phone: (845) 306-1000 Fax: (845) 306-0709

May 6, 2011

Lorterdan Properties at Ramapo I, LLC  
35 Virginia Avenue  
Montclair, NJ 07042-2464

**VIA FAX AND OVERNIGHT DELIVERY**

Attention Robert Jackson

Re: Repurchase Agreement—Lorterdan Properties at Ramapo I, LLC/Watchtower

Dear Mr. Jackson:

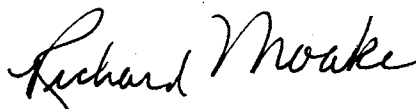
I am writing to you as a follow up to my November 1, 2010, letter concerning the February 27, 2009, Repurchase Agreement between Lorterdan Properties at Ramapo I, LLC ("Lorterdan") and Watchtower Bible and Tract Society of New York, Inc. ("Watchtower"). By its terms, that letter constituted written notice to Lorterdan that Watchtower had determined that it will not proceed with its intended development of the Property (as that term is defined in the Repurchase Agreement) and that, pursuant to the terms of the Repurchase Agreement, Lorterdan was to repurchase the Property.

According to section 2.1 of the Repurchase Agreement, Lorterdan was to close the Repurchase within six months of November 1, 2010. The six months terminated at the end of April 30, 2011. Lorterdan has neither closed the Repurchase nor taken advantage of the provision in section 2.2 of the Repurchase Agreement to pay for an extension of the Repurchase Closing. Thus, by virtue of section 2.7 of the Repurchase Agreement, Lorterdan has breached the Repurchase Agreement.

Because of Lorterdan's breach of the Repurchase Agreement, Watchtower elects to, and by this letter does, terminate the Repurchase Agreement.

Pursuant to section 2.5 of the Repurchase Agreement, I have directed this letter to you and am sending a copy to Mr. Mandelbaum.

Very truly yours,



Richard D. Moake  
Associate General Counsel

RDM:jaf

c: Mr. Barry R. Mandelbaum

# Watchtower Bible and Tract Society of New York, Inc.'s Initial Disclosures—Exhibit A

## **Document 082**

**LEGAL DEPARTMENT:** Branch Committee Office forwards for handling.  
Thank you very much. (BB:BJ April 6, 2011)

DEAR BROTHERS: THANK YOU FOR THE ENCLOSED  
LETTER. THIS EDITED VERSION NOW HAS OUR  
APPROVAL FOR SENDING.

APRIL 6, 2011  
GOVERNING BODY

**UNITED STATES BRANCH**  
BB:BJ April 6, 2011 No. 895

Via E-Mail

GOVERNING BODY

Re: Draft Letter to Lorterdan Properties at Ramapo I, LLC

Dear Brothers:

We are pleased to provide the enclosed proposed letter that we recommend be sent to Attorney Barry R. Mandelbaum in response to his March 28, 2011, letter relating to his above-named client. This relates to the Ramapo property and was discussed with you at your meeting on March 30, 2011. The Legal Department would like to send a response soon so that Mr. Mandelbaum does not take any action for lack of a timely reply.

We look forward to receiving your direction on this matter.

Your brothers,

*{Signed by Leon Weaver, Jr.}*

For the U.S. Branch Committee

Enclosure

cc: Legal Department  
D. Rice  
R. Pollock

**TIME SENSITIVE**

*Legal Department would like to  
provide a prompt response to the  
attorney's demand letter*

**UNITED STATES BRANCH**  
BB:BJ April 6, 2011 No. 895

Via E-Mail

**TIME SENSITIVE**

*Legal Department would like to  
provide a prompt response to the  
attorney's demand letter*

GOVERNING BODY

Re: Draft Letter to Lorterdan Properties at Ramapo I, LLC

Dear Brothers:

We are pleased to provide the enclosed proposed letter that we recommend be sent to Attorney Barry R. Mandelbaum in response to his March 28, 2011, letter relating to his above-named client. This relates to the Ramapo property and was discussed with you at your meeting on March 30, 2011. The Legal Department would like to send a response soon so that Mr. Mandelbaum does not take any action for lack of a timely reply.

We look forward to receiving your direction on this matter.

Your brothers,

*{Signed by Leon Weaver, Jr.}*

For the U.S. Branch Committee

Enclosure

cc: Legal Department  
D. Rice  
R. Pollock

April 5, 2011

Mr. Barry R. Mandelbaum, Esq.  
Mandelbaum Salsburg  
155 Prospect Avenue  
West Orange, NJ 07052-4204

**VIA FACSIMILE AND REGULAR MAIL**

Re: Lorterdan Properties at Ramapo I, LLC

Dear Mr. Mandelbaum:

This is in reply to your letter dated March 28, 2011, relating to your above-named client. We have discussed your letter with our client.

Frankly, we were surprised to receive your letter and by its tone and content. In the five months since Watchtower's November 1, 2010, written notice was delivered to your client, we have heard nothing from your client indicating that it will not honor the terms of the Repurchase Agreement. On the contrary, your client has submitted a request to the Town of Ramapo that the Town Board amend the Zoning Code with respect to the subject property. Watchtower has co-operated with your client in furtherance of your client's request to the Town, including providing an Owner's Consent Resolution.

Your March 28, 2011, letter is factually inaccurate and its accusations libelous. Watchtower denies your letter's allegations and rejects your client's demands as stated in that letter. Watchtower relies on and reaffirms its letter to your client dated November 1, 2010, and stands ready to close the transaction with your client by the end of this month, according to the terms of the Repurchase Agreement.

If your client has something constructive to present to Watchtower, please feel free to contact me or our General Counsel, Philip Brumley.

Very truly yours,

Richard D. Moake  
Associate General Counsel

RDM:db



**Rice, Daniel**

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**From:** Blankenship, Jeremy  
**Sent:** Wednesday, April 06, 2011 8:33 AM  
**To:** Rice, Daniel; Pollock, Robert Jr.  
**Cc:** Weaver, Leon Jr.  
**Subject:** FYI: Legal Department 895 - Draft Letter to Lorterdan Properties at Ramapo I, LLC  
**Attachments:** WHQ 895.doc; WHQ 895a.doc

**Importance:** High

Dear Brothers,

The attached letter was approved by the USBC and sent to the Governing Body this morning.  
Thank you.

*Jeremy Blankenship for*  
**Leon Weaver, Jr.**  
Branch Committee Office- 29009 (P)

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**From:** InboxBranchCommittee  
**Sent:** Wednesday, April 06, 2011 8:29 AM  
**To:** InboxLGL  
**Subject:** Legal Department 895 - Draft Letter to Lorterdan Properties at Ramapo I, LLC  
**Importance:** High

Dear Brothers:

No hard copy will follow. Please return this code in your e-mail if necessary to reply.  
[wid:USA-BC-20110406-082923-147455]

Thank you.

Your brothers,

Branch Committee Office

# Watchtower Bible and Tract Society of New York, Inc.'s Initial Disclosures—Exhibit A

## **Document 083**

**Rice, Daniel**

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**From:** Moake, Richard  
**Sent:** Friday, April 29, 2011 3:09 PM  
**To:** Rice, Daniel  
**Cc:** Schilling, Lon; Pollock, Robert Jr.  
**Subject:** FW: Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo

*Richard Moake*  
Legal Department

**From:** bmandelbaum@msgld.com [mailto:bmandelbaum@msgld.com]  
**Sent:** Friday, April 29, 2011 2:41 PM  
**To:** Moake, Richard  
**Subject:** Re: Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo

Thank you for your e-mail. We are not looking to rezone or change the existing approvals. We only wish to lift the existing age restriction on purchasers of the houses. I beleiev your organization already consented to the application in writing so that it could be obtained. Obviously with housing still being in a recession-the longer the time the better. I believe my client may also be willing not only to return the original purchase price but reimburse you for the taxes pd and also some consideration for the extension.. I am hopeful that Watchtower will recognize that my clients are in the best position to sell it-having accomplished it once before with Pulte Homes. Barry

Sent from my Verizon Wireless BlackBerry

**From:** <rmoake@jw.org>  
**Date:** Fri, 29 Apr 2011 14:11:32 -0400  
**To:** <bmandelbaum@msgld.com>  
**Subject:** Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo

Barry R. Mandelbaum, Esq.

Mandelbaum Salsburg

155 Prospect Avenue

West Orange, NJ 07052-4204

[bmandelbaum@msgld.com](mailto:bmandelbaum@msgld.com)

Dear Mr Mandelbaum,

**Rice, Daniel**

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**From:** Moake, Richard  
**Sent:** Friday, April 29, 2011 4:09 PM  
**To:** Rice, Daniel; Schilling, Lon; Pollock, Robert Jr.  
**Subject:** FW: Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo

**Importance:** High

FYI

*Richard Moake*  
Legal Department

**From:** Moake, Richard  
**Sent:** Friday, April 29, 2011 4:09 PM  
**To:** 'bmandelbaum@msgld.com'  
**Subject:** RE: Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo  
**Importance:** High

Dear Mr. Mandelbaum,

I have spoken with our client about your client's inquiry that you conveyed to me this morning and amplified in your message below.

Watchtower does not wish to deviate from the terms of the Repurchase Agreement and is not willing to extend the date of the Repurchase Closing, except as provided in the Repurchase Agreement. As an accommodation to your client, if your client desires to pay for an extension pursuant to the terms of section 2.2 of the Repurchase Agreement, then Watchtower will consider such payment to be timely if received by wire transfer on May 2, 2011. If such extension payment is not received on that date, then your client will be deemed in breach as of April 30, 2011, pursuant to section 2.7 of the Repurchase Agreement.

Sincerely,

*Richard Moake*  
Associate General Counsel  
Watchtower Bible and Tract Society of New York, Inc.  
100 Watchtower Drive  
Patterson, NY 12563

**From:** bmandelbaum@msgld.com [mailto:bmandelbaum@msgld.com]

**Sent:** Friday, April 29, 2011 2:41 PM

**To:** Moake, Richard

**Subject:** Re: Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo

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Sent from my Verizon Wireless BlackBerry

**From:** <rmoake@jw.org>

**Date:** Fri, 29 Apr 2011 14:11:32 -0400

**To:** <bmandelbaum@msgld.com>

**Subject:** Lorterdan Properties at Ramapo I, LLC/Watchtower--Property in Towns of Ramapo and Tuxedo

Barry R. Mandelbaum, Esq.

Mandelbaum Salsburg

155 Prospect Avenue

West Orange, NJ 07052-4204

[bmandelbaum@msgld.com](mailto:bmandelbaum@msgld.com)

Dear Mr Mandelbaum,

Confirming our conversation during your telephone call at about 11:45 this morning, you have asked how much time Watchtower would be willing to give your client to work out the rezoning of the property without requiring payment of the extension fee that is called for in the Repurchase Agreement. I told you that I cannot make that decision and would convey your question to those who could.

I have scheduled a meeting with several of cur client's representatives for 3:00 p.m. today to discuss your inquiry. Before that meeting, I need to know exactly what your client proposes to accomplish during any such extension. Does your client want an extension only to try to obtain the rezoning of the property, which you alluded to during our conversation, or is there something in addition that your client would want to accomplish? Please provide this information by return e-mail.

As I mentioned this morning, the end of the 6-month repurchase period is May 1, 2011.

Sincerely,

*Richard Moake*

Associate General Counsel

Watchtower Bible and Tract Society of New York, Inc.

100 Watchtower Drive

Patterson, NY 12563

845-306-0700 (office receptionist)

# Watchtower Bible and Tract Society of New York, Inc.'s Initial Disclosures—Exhibit A

## **Document 084**

**PROPERTY SEARCH GROUP – MEETING MINUTES**

MM 2009 06 02 Progress Update.doc

Printed 6/8/2009

Date &amp; Time: Tuesday, June 2, 2009 from 8:45 AM to 11:00 AM via Teleconference

Attendees: Jeff Baker\*, Robert Pollock+, Daniel Rice\*\*, Lon Schilling\*\*, Kris Van Tassel\*\*

\* At Cornwall. \*\* At Wallkill B Residence. + Not present

**Subject: Progress Update****I. CURRENT TIME AWAY SCHEDULE**

Name	June	July	August
J. Baker			
R. Pollock	11-17		
D. Rice			
L. Schilling	5-8 (SAD-Georgia)	2-8 (DC-North Dakota)	
K. Van Tassel		9-13	14-16 21-23

**II. PENDING APPOINTMENTS/MEETINGS/IMPORTANT DATES**

Date	Time/Loc	Contact(s)	Subject
TBD	TBD	Tony Montalbano	Ramapo Payment in lieu of taxes (PILOT)
TBD	Ramapo Town Hall at 8:00 PM	Town Board	Sterling Mine Road Zoning Amendment
06/23/2009 Tuesday		Touro College	Due diligence period expires. 30 days remain to closing on 07/22/2009.

**III. LONG MEADOW ROAD/TOURO COLLEGE – ORANGE COUNTY, TOWN OF WARWICK**

Touro College seems extremely interested in closing during the month of June, which is a month early. We would be willing to negotiate this, perhaps for a discount on the price based on the timber rattlesnake, phase II environmental, and dam engineering studies that are all currently in progress.

**A. Property Taxes**

In comparing the property taxes in the Town of Warwick with the Town of Ramapo, there appear to be fewer special districts. Other issues such as licensing are a concern.

**B. Resale value**

If we buy the property for \$23.5 million, it is very unlikely that we would be able to sell it for that amount in the near future.

**C. Pre-Application Conference on May 14, 2009**

This meeting was attended by the town supervisor, planning board chair, town planner, planning board engineer, and planning board attorney. Robert Krahulik, Stu Turner, Rick Moake, Bob Pollock, Daniel Rice, and Kris Van Tassel attended on behalf of Watchtower. Our proposal was well-received, and the groundwork was laid for our submittal in time for a possible July planning board appearance.

**IV. STERLING MINE ROAD/LORTERDAN – ROCKLAND COUNTY, TOWN OF RAMAPO****A. Analysis of Draft Community Benefit Agreement dated May 27, 2009**

We received a draft Community Benefit Agreement (CBA) from the town attorney, Michael Klein. By way of comparison, we are comparing similar expenses at Brooklyn, Patterson, and Wallkill. The relationship between assessments and



## PROPERTY SEARCH GROUP – MEETING MINUTES

MM 2009 06 02 Progress Update.doc

Printed 6/8/2009

millage rates was discussed. We also want to avoid a position where we need to pay Robert Jackson the extra funds and either cannot or choose not to use the property. We appear to be at a point now, with negotiating this CBA, where we could naturally slow the process down while we wait for the King's College property to catch up. Certainly it seems that the town will not grant property tax exemption until we sign the CBA, and it seems unlikely that this will be resolved in advance of the assessor's July 1, 2009 release deadline.

**1. Estimated Ramapo Property Taxes**

It appears that the Town of Ramapo has valued our property at \$13.5 million rather than the purchase price of \$11.5 million. The town has also created a number of special districts that typically do not exist in other towns, such as the Town of Warwick. According to the town's 2009-2010 figures, our ad valorem taxes would only be approximately \$30,000, increasing to \$300,000 or higher (depending upon the assessment) after full buildout. It also seems likely that the assessor would make a lump sum assessment increase at the project's completion rather than a year-by-year incremental increase in value.

**2. Town of Patterson taxes for Patterson Inn**

In reviewing the taxes paid for the Patterson Inn, they have been fairly consistent over the past decade.

**3. Village of Sloatsburg Fire Department**

Based upon our meeting with the Village of Sloatsburg on Tuesday, May 26, 2009, it seems likely that they would like more from us than \$700,000 that Lorterdan agreed to contribute towards a new ladder truck. They seemed to be interested in a building to store it as well. If we are able to stick to Lorterdan's figure and provide the fire truck after full buildout, Treasurer's Office indicated that we may be able to set aside \$618,000 at a 2.5% yield, which would provide a total of \$700,000 in five years. Of course, a fire truck might be even more expensive due to inflation in five years.

**4. Resale Value**

After the economy improves, if the special permit is still valid, this property could likely be resold for a percentage of our \$11.5 million purchase price.

**5. Strategy discussion with David Everett**

We would like to schedule a strategy session with David Everett of Whiteman, Osterman & Hanna LLP at the appropriate time.

**V. OTHER**

**A. Requesting a meeting with the Governing Body**

It is our understanding the Governing Body is ready to acquire both the Long Meadow Road and Sterling Mine Road properties. At the same time, we would like to schedule a meeting with the Governing Body in advance of the Long Meadow Road deadline of June 23, 2009.

**B. Fishkill hotel study and Legion of Christ**

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PROPERTY SEARCH GROUP – MEETING MINUTES

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MM 2009 06 02 Progress Update.doc

Printed 6/8/2009

Neither of these items are pressing, so they will be held over to the next meeting.

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Daniel Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 085**

**PROPERTY SEARCH GROUP – MEETING MINUTES**

MM 2009 05 12 Progress Update.doc

Printed 5/13/2009

Date &amp; Time: Tuesday, May 12, 2009 from 2:00 PM to 3:30 PM via Teleconference

Attendees: Jeff Baker+, Robert Pollock\*, Daniel Rice\*\*, Lon Schilling\*, Kris Van Tassel\*\*  
+ Not present. \* At Brooklyn. \*\* At Wallkill.**Subject: Progress Update**

Tasks: R. Pollock (#1-3), D. Rice (#2)

**I. CURRENT TIME AWAY SCHEDULE**

Name	May	June	July
J. Baker			
R. Pollock	22-26		
D. Rice			
L. Schilling	21-25 (DC-Billings)	5-8 (SAD-Georgia)	2-8 (DC-North Dakota)
K. Van Tassel	14-25 (France)		9-13

**II. PENDING APPOINTMENTS/MEETINGS/IMPORTANT DATES**

Date	Time/Loc	Contact(s)	Subject
05/14/2009 Thursday	10:00 AM Warwick	Town of Warwick Supervisor and staff	Touro College pre-application conference
TBD	TBD	Tony Montalbano	Ramapo Payment in lieu of taxes (PILOT)
TBD	Ramapo Town Hall at 8:00 PM	Town Board	Sterling Mine Road Zoning Amendment
06/23/2009 Tuesday		Touro College	Due diligence period expires. 30 days remain to closing on 07/22/2009.

**III. LONG MEADOW ROAD/TOURO COLLEGE – ORANGE COUNTY, TOWN OF WARWICK****A. Timber Rattlesnake Study**

[Updated on the late afternoon of May 12, 2009, following conversation by R. Pollock discussed with Kathy Michell.] The very cool spring delayed the beginning of the study; however, they have checked all areas except Bill White Mountain, which is approximately 2,000 feet northeast of the King's College entrance and on the other side of Long Meadow Road from where we want to develop. The hills south of the site and immediately around the site are not likely to harbor timber rattlesnakes since they haven't found suitable basking areas, and no timber rattlesnakes have been found so far. However, they have found two timber rattlesnakes around Sandy Beach Pond, which is no longer a pond and is northwest of the site. One of them was 54" long and weighed 4 1/2 pounds, which is a huge snake. They will be tracking these and watching that area for any more. They don't know for sure where they came from and will be investigating that. She believes they may have come from a den that was not documented before. She thinks they are from near where they found them and she believes they will travel north to interact with snakes from the other dens, but again, they will check further.

**B. Phase II Environmental Study**

Clough, Harbour and Associates LLP (CHA) has begun the phase II environmental study. While conducting their borings, they reported tipping over their drilling unit, spilling one gallon of diesel fuel, reporting it to the New York State Department of Environmental Conservation (DEC), and cleaning it up. No follow-through appears to be needed.

## PROPERTY SEARCH GROUP – MEETING MINUTES

MM 2009 05 12 Progress Update.doc

Printed 5/13/2009

**C. Dam Safety Study**

The Branch Committee referred the \$35,850 hydrologic study to the Publishing Committee, which approved it this past week.

**D. Pre-application conference**

The pre-application conference has been scheduled for Thursday, May 14, 2009, at 10:00 AM. According to an e-mail string that we received, it appears that the town planning board attorney agrees that our development fits the zoning. Some consideration was also given to inviting Dominic Cordisco to the meeting, since he seems more knowledgeable than R. Krahulik. This meeting should be a technical discussion that is very similar to our initial discussion with the Town of Ramapo Community Design Review Committee (CDRC) in February.

- ☐ **05/12 #1..... R. Pollock to invite Stuart Turner and Richard Moake to the pre-application conference with the Town of Warwick on Thursday, May 14, 2009, at 10:00 AM at the town hall.**

**IV. STERLING MINE ROAD/LORTERDAN – ROCKLAND COUNTY, TOWN OF RAMAPO****A. Meeting with Christopher St. Lawrence and Scott Shedler on Monday, May 11, 2009**

The town is asking for \$300,000 per year, which equals the current annual tax bill. This amount would also be approximately the same as the estimated special district (ad valorem) taxes after buildout of a development assessed at \$100 million. According to our calculations, the current special district taxes are approximately \$40,000. In two years, we would end up paying a total PILOT of approximately \$500,000 (\$300,000 - \$40,000 = \$260,000 per year), which would be nearly the entire PILOT budget authorized by the Governing Body, if we pay what the town wants and also buy a new \$700,000+ ladder truck for the Village of Sloatsburg. Robert Jackson seemed to indicate that he expected to receive a fire district tax credit for contributing \$700,000 to buy the new ladder truck. If we receive a similar credit, this could free up some more of our budget for the PILOT. We are not sure if C. St. Lawrence stalled our project from being presented to the town board on Monday night, or if it simply had not been submitted in the proper form for the town board's consideration.

- ☐ **05/12 #2..... R. Pollock to schedule a meeting with Tony Montalbano to review the PILOT negotiation with the Town of Ramapo and assess our next steps**
- ☐ **05/12 #3..... R. Pollock to confirm with Richard Sarajian that our official application has been submitted for the town board's consideration.**
- ☐ **05/12 #4..... D. Rice to schedule a meeting with the Village of Sloatsburg mayor, Carl Wright, on Tuesday morning (5/19), if possible, to discuss their request for a ladder truck.**

There is no need to encourage C. St. Lawrence to contact J. Valk, particularly because we don't want to contribute a PILOT and also be asked to support volunteer efforts with parks and similar projects.

---

Daniel Rice

**Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A**

**Document 086**

MM 2009 02 14 WOH Strategy Session

Printed 10/22/2012

**Date & Time:** Friday, February 13, 2009 at the law offices of Whiteman, Osterman & Hann LLP at One Commerce Plaza, Albany, NY 12260, from 9:00 AM – 12:30 PM

**Watchtower:** Jeff Baker, Robert Pollock, Daniel Rice, Lon Schilling, Kris Van Tassel

**WOH:** David Everett, Daniel Ruzow

**Subject:** **Property Search Strategy Session**

**Action Points:** D. Rice (#1, 3, 4 ), R. Pollock (#2, 5-7)

## **I. BACKGROUND**

Arrangements were made to discuss the Touro College and Sterling Mine Road properties with D. Ruzow and D. Everett. We explained that we would only build one world headquarters, although we are willing to buy both properties.

## **II. CONSULTANTS**

### **A. Legal Counsel**

Usually attorneys lead larger development projects in the Town of Ramapo.

#### **1. Montalbano, Condon & Frank, P.C.**

Richard Sarajian and Tony Montalbano have close relationships with the town. For the Pierson Lakes project, WOH was used behind the scenes, and they worked together well for the five year project. WOH drafted answers, protected the legal record, and attended all Planning Board and CDRC meetings with R. Sarajian. The client, Byron-Hill Homebuilders, had to put them on a tight leash because they would just start going out doing things. T. Montalbano was originally involved with trying to rezone for the Palisades Mall in the 1980s.

#### **2. Ira M. Emanuel, P.C.**

I. Emanuel reached out to D. Ruzow in the 1980s for assistance with religious clients having difficulty in the towns of Haverstraw and Ramapo. He was easy to work with and deferential. Even if we choose another law firm, there may be value in hiring him for some specific tasks. This would also avoid having him hired by the opposition.

- ☐ **02/13 #1 ..... D. Rice to inform Richard Sarajian and Ira Emanuel that we would like to retain both of them for discrete assignments that are coordinated by our in-house legal counsel and with assistance from Whiteman, Osterman and Hanna LLP. A \$10,000 retainer will be required. Richard Sarajian might be involved with local communications, and Ira Emanuel might draft the zoning amendment.**

#### **3. Rice and Amon**

Terry A. Rice is a Suffern attorney that is an expert with the Religious Land Use and Institutionalized Persons Act (RLUIPA). He may be defending the Town of Ramapo in a case involving the Village of Chestnut Ridge.

#### **4. Robert Krahulik**

WOH has not worked with him.

#### **5. Scott Bonacic**

D. Ruzow met his father. He seems well-connected but does not have a background with land use law. Someone else in WOH's office is working on a project involving S. Bonacic.

**6. Dominic Cordisco**

He is good, pleasant, and turns work around quickly. He worked on the Belleayre ski resort, referred some matters to WOH, and is active on the BAR association. He told D. Ruzow that he had met with Watchtower.

**B. Engineers****1. Leonard Jackson PE PLLC**

The engineer for this firm and the chair of the Rockland County Drainage Agency do not see eye-to-eye. D. Everett is working on a case for this.

**C. Planners****1. Greenplan, Inc.**

J. Theodore Fink applied for a job in the early 1980s from D. Ruzow. Also, he worked with D. Everett on a project. D. Ruzow remembered him as being very deferential to the planning board.

**2. Turner Miller Group**

As a municipality's planner, Stuart Turner can cause difficulties for applicants by being slow to review submittals. Hopefully this delay would not carry over to when he is making submittals in behalf of an applicant.

**III. STERLING MINE ROAD / LORTERDAN****A. Involved/Interested Parties****1. Rockland County**

The Rockland County Executive, C. Scott Vanderhoef, is reasonably popular and will probably be re-elected in the Fall of 2009.

**2. Town of Ramapo**

There is some uncertainty as to whether the town supervisor, Christopher P. St. Lawrence, will run for re-election again. Article 78 legal challenges are very common in the town.

**3. Community Design Review Committee (CDRC)**

The CDRC often appears unfamiliar with the town's laws.

**4. Torne Valley Preservation Association**

This community group opposed the Pierson Lakes development, a project favored by the town. They approached the Palisades Interstate Park Commission (PIPC) and DEC but never filed an Article 78 challenge because development because they didn't have the funds.

**5. New York-New Jersey Trail Conference (NYNJTC)**

They wanted free access across the Pierson Lakes property for trails.

**6. Open Space Institute (OSI)**

WOH often represents OSI and is currently negotiating with OSI on two projects. Watchtower's involvement with OSI will probably not carry much weight with locals.



**B. Project Observations****1. State Environmental Quality Review (SEQR) Lead Agency**

If the Planning Board was the lead agency for Lorterdan, it is likely that the Planning Board, and not the Town Board, would be the lead agency for Watchtower's project. If the Lorterdan and Touro College properties are pursued simultaneously (or even another property in Westchester County), it is much more likely that the New York State Department of Environmental Conservation (DEC) will attempt to become the lead agency for the SEQR review. It is never desirable to have the DEC be the lead agency, because this increases the time and risk of adjudication. The DEC Region #3 Regional Director, William Janeway, is known for wanting to insert the DEC as the lead agency in a number of projects, particularly those with regional issues. This property is near the New York-New Jersey border and Ringwood State Park in New Jersey. For a recent project in Sullivan County, the Speaker of the Assembly had to bring political pressure in order to avoid the DEC becoming lead agency.

**2. Amending the Zoning versus Rezoning**

Rezoning the property would not legally fit the town's comprehensive plan, which would leave any approvals vulnerable to legal challenge. A carefully crafted zoning amendment would include our use, while not opening the door for Hasidic communities. A zoning amendment may also avoid damaging the property's current potential as senior housing. Also, it is likely that Lorterdan's approvals cannot statutorily last for more than six years.

**a) Pierson Lakes – Amended Findings Statement**

For the nearby Pierson Lakes project, the timber rattlesnakes were the only new issue. WOH battled with the DEC and was able to amend a 20-year old Environmental Impact Statement (EIS) rather than prepare a Supplementary EIS (SEIS).

**b) Amended Findings Statement based on Expanded Environmental Assessment Form (EAF)**

If an expanded EAF is prepared with reports showing a reduction of water/sewer usage, no timber rattlesnakes, green building design, no greater impacts in other areas, and the public has the opportunity to comment, then the Findings Statement can be amended with the right language, which WOH could help the town prepare. SEQR specifically allows adjustments to the Findings Statement. The Site Plan Review, Special Use Permit, and Zoning Text Amendment should be prepared together.

- ☐ **02/13 #2..... R. Pollock to arrange for David Everett of Whiteman, Osterman & Hanna LLP at the Wednesday, February 18, 2009 to attend the Town of Ramapo Community Design Review Committee (CDRC) meeting to discuss the zoning amendment approach.**

**c) Lobbying**

Under the New York State Lobbying law, if you seek legislation, in-

cluding a zoning change, you and anyone advocating on your behalf must register and report the amount of money spent lobbying.

d) Timing

It is theoretically possible to obtain SEQR approval in one year.

3. Effects of Pursuing Properties Simultaneously

a) Supplemental Environmental Impact Statement (SEIS)

If the Town of Ramapo were to learn of the Touro College property, they may ask for an SEIS.

b) SEQR Alternatives

If Touro College and Sterling Mine Road are pursued simultaneously, SEQR requires a private firm to consider alternatives if it has an option on two different locations. This review can be extensive.

4. Timber Rattlesnakes

Timber rattlesnakes will be an issue, although the presumably the DEC's sign off for Lorterdan would still hold for Watchtower's less land-intensive development.

a) Pierson Lakes studies

WOH does not remember any timber rattlesnakes on the Lorterdan property from the Pierson Lakes studies. The DEC required two years of studies.

b) Wrightman Plateau, Town of Ramapo

The DEC has essentially made the Wrightman Plateau, also in the Town of Ramapo, undevelopable due to the presence of timber rattlesnakes.

5. Conservation Easement

The town or DEC may likely request a conservation easement.

6. Wetlands

The EPA requires a waiver to disturb an Environmentally Sensitive Area (ESA), such as a wetland. This would be necessary if the sewer line installation would damage federal (but not state) wetlands.

7. Wastewater Treatment

Some Rockland County developers have received letters of refusal from United Water.

#### IV. TOURO COLLEGE

##### A. Town of Warwick

The Town of Warwick is always incredibly difficult to receive permits, even if you are a "favorite son." The Planning Board is sophisticated and organized.

1. Planning Board

Perhaps R. Krahulik could find out if the Town of Warwick allows attor-

neys to speak to the Planning Board or town planner without their attorney being present. A law was recently passed that prevents an applicant's lawyer from talking to the planning board without reasonable notice to their attorney.

## B. Property Owner

Touro College may have lost money in the recent Madoff scandal. (Although they are not on the disclosure list.) It seems unlikely that they would give a free extension, but they may not have many alternatives.

## C. Project Observations

The Touro College property is a beautiful site with more development uncertainties. D. Everett referenced his 2006 e-mail concerning due diligence considerations for this property.

### 1. SEQR Lead Agency

a) Discussion with Carol Ash,  
Before talking to the DEC, a conversation could be arranged with Carol Ash, commissioner of the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) or their general counsel regarding the likelihood of the DEC seeking to be lead agency. C. Ash formerly served as executive director of the Palisades Interstate Park Commission.

- **02/13 #3..... D. Rice to receive an update from Daniel Ruzow after he arranges a discussion with Carol Ash, commissioner, of the New York State Office of Parks, Recreation and Historic Preservation concerning the Touro College property. The purpose would be to obtain a read on whether or not the DEC should be the lead agency and the PIPC's interest in the property.**

b) William Janeway, Regional Director – DEC Region 3  
Like C. Ash, W. Janeway was formerly involved with the Nature Conservancy and is always looking for opportunities to expand trail systems. Even without including the alternative Sterling Mine Road property, this situation seems more ripe for the DEC to attempt to be lead agency because there is adjacent PIPC land with unofficial trails and a state boat launch. It would be good to show the DEC the previously proposed sprawling development and superimpose Watchtower's much more centralized layout.

#### c) History

WOH can investigate whether or not there was already a "lead agency" battle involving King's College or Touro College on this property.

#### d) Timing

It would probably take 2-3 years to obtain approvals if the Town of Warwick is the lead agency, longer if the DEC is the lead agency.

### 2. Timber Rattlesnakes

## a) Proximity

Kathy Michell circled six locations around the site, and dens are located within 1.5 miles of the property. Timber rattlesnakes tend to travel in the cleared area along power lines.

## b) Timber Rattlesnake Behavior

Gestation occurs near dens, which usually have a southern exposure and can be identified in April. If a telemetry study is needed, the transmitters would need to be attached before the males begin to move in June. It could be difficult to determine by June whether or not other timber rattlesnakes from offsite dens (but within the 1-2 mile range) are using the property. They migrate quickly between mid-September and mid-October.

## c) DEC Study Requirements

At a minimum, the DEC will require studies to identify the presence or absence of dens. After the den study, K. Michell might be able to negotiate with the DEC over whether or not a telemetry study is required; however, if the DEC requires a telemetry study, it would be very difficult to have the study planned, approved and performed this season. A telemetry study requires literature research, obtaining the transmitters, reviewing the study details with the DEC, and placing the transmitters. The other option is to check the dens and apply the transmitters at the same time, if the DEC has approved the scope of the study. If a telemetry study is needed, either the property must be purchased or an extension to the due diligence period must be obtained in order to complete the study in September/October.

## d) Relocation

If timber rattlesnakes are found on or near the property, the DEC will take an intractable position. It will not allow timber rattlesnakes or their dens to be relocated.

## e) Ramapo strategy

Development opponents typically try to insert themselves into dialogue with the DEC concerning timber rattlesnake habitat to prevent or delay the process. To avoid this, in Ramapo WOH approached the DEC first, asking if there was a show-stopper and to determine an acceptable layout. The DEC appreciated being involved early in the process, and this eliminated the leverage of environmental groups.

- **02/13 #4..... D. Rice to receive an update from D. Everett after he arranges for Kathy Michell to (1) perform a literature search regarding timber rattlesnakes on the Touro College property and (2) schedule a meeting with the DEC to discuss a telemetry study and its required scope. Kathy Michell can inform the DEC that this is on behalf of Watchtower. This would need to be accomplished before April.**

## 3. Environmental Contamination

If there is contamination in wetlands near the wastewater treatment plant, there is an Environmental Protection Agency (EPA) protocol for cleaning

## PROPERTY SEARCH GROUP – MEETING MINUTES

MM 2009 02 14 WOH Strategy Session

Printed 10/22/2012

up hazardous waste in wetlands. D. Cordisco alluded to there being substantial cleanup issues that were larger than Touro College's appetite.

- **02/13 #5..... R. Pollock to arrange for ATC Associates or a similar firm to perform an environmental assessment of the Touro College property.**

4. Dam Safety

The new DEC regulations are very stringent and place great responsibility on property owners.

- **02/13 #6..... R. Pollock to arrange for Clough, Harbour and Associates to perform a dam safety study of the Blue Lake dam.**

5. Wildlife Survey

A survey of wildlife besides the timber rattlesnakes will be required.

6. Wastewater Treatment Plant

If a capacity increase is needed, tertiary treatment will almost certainly be required.

7. Ad Valorem tax districts

We have not been able to determine which tax districts would still charge against the property, including lighting, fire, ambulance, etc.

- **02/13 #7..... R. Pollock to inquire with Robert Krahulik concerning the amount of ad valorem taxes, such as lighting, fire, and ambulance, that would apply to the Touro College property.**

## **V. POST-MEETING REVIEW**

### **A. Meeting with the Governing Body on Wednesday, February 18<sup>th</sup>**

The Governing Body has agreed to postpone the appearance until 2:30 PM, after the Town of Ramapo CDRC meeting.

# Watchtower Bible and Tract Society of New York, Inc.'s Initial Disclosures—Exhibit A

## **Document 087**

## ***UNITED STATES BRANCH***

BA:BD June 12, 2009 No. 1163

*Via E-mail*

### **GOVERNING BODY**

Re: Potential development of a third site outside New York City

Dear Brothers:

We are writing to request your direction with regard to the potential development of a third site outside New York City. As you know the Property Search Group has recently narrowed its focus to that of pursuing approval to develop one of two sites near Sloatsburg, New York. One site is the property that the organization purchased in the Town of Ramapo, NY in Rockland County called the Sterling Mine Road site. The other site is the property now owned by Touro College in the Town of Warwick, NY in Orange County. The following subheadings outline the progress to date, the choices we face at present, and our recommendations.

#### **Sterling Mine Road Property:**

In July of 2008 this property was brought to our attention by a local broker. The owner, Lorterdan Properties, had been successful with rezoning the property so that 292 age-restricted homes could be built on the 248 acre property. However, due to the economy there were no longer any buyers and the company developed financial difficulty. Although the zoning does not allow for our use, meetings with the Town of Ramapo indicated that the Town would be receptive to our project and would work with us to make any needed adjustments to the zoning.

At your direction a contract for the property was signed on January 23, 2009 to purchase the property outright within 30 days for \$21 million. It outlined that an initial payment was to be made of \$11.5 million and that if we were successful in getting approvals, another \$9.5 million would be paid. The property was purchased on February 27, 2009.

Since that time several more meetings have been held with Town officials with the goal of obtaining approvals for the project. Representatives of the Town have agreed to a zoning text change that will allow our use of the property. However, this change has not been formally submitted to the Town Board for approval for several reasons. One reason is that there is another controversial project under consideration and the Supervisor does not want us to make our proposal at the same time. However, the key reason is that the Supervisor wants to have a Community Benefit Agreement (CBA) with Watchtower ready for their consideration at the same time as our rezoning proposal. This agreement would outline payments in lieu of taxes.



Re: Potential development of a third site outside New York City  
BA:BD June 12, 2009 No. 1163  
Page 2 of 5

We have learned that the Town of Ramapo is very skilled at extracting money in the form of taxes from normally tax exempt organizations. A number of special districts have been created for providing services such as fire, ambulance, lighting, garbage, etc. When a town creates a special district, even tax-exempt organizations are required to pay these "ad valorem" taxes under New York State law. In conjunction with these taxes, the Town of Ramapo wants Watchtower to enter into a CBA that combined with the ad valorem taxes would amount to \$300,000 a year to the Town for a period of up to five years to provide a minimum cash flow from the property. If during this period the ad valorem taxes increase beyond \$300,000, no payments other than the ad valorem taxes would be made. Additionally the Town wants Watchtower to contribute \$700,000 toward the purchase of a ladder truck so the town can provide necessary fire protection to our buildings. The enclosed Attachment #1 entitled "Watchtower Payments" outlines the impact of both the ad valorem taxes and the Community Benefit Fees. If the market value of our completed project is deemed to be in the range of \$150 million then the taxes could be in excess of \$600,000 per year.

At this stage it appears that we have three possible courses to pursue with the Sterling Mine Road property. *Option One* is to move ahead quickly and submit a proposed Community Benefit Agreement as well as our proposed zoning text change for the next Town Board meeting on June 24, 2009. Proceeding in this manner will maintain the level of enthusiasm shown until now by officials in Ramapo. However, it will require careful planning so that we do not fulfill the contract obligations for paying the additional \$9.5 million before we are sure we want to commit to build on the property. *Option Two* is to slow down in our negotiations with Ramapo until we get further along in the process with Warwick. This would mean that we would not receive our tax exemption for this coming year and we would have a tax bill of \$361,905. *Option three* is to decide now that we do not want to proceed with Sterling Mine Road and inform Lorterdan Properties that they must either repurchase the property within the next 19 months at \$11.5 million or forfeit the second payment.

Although it appears that the Town of Ramapo is fulfilling its earlier stated purpose to work with Watchtower to allow us to build our World Headquarters in their Town it is evident that they will extract a significant price for the privilege.

### **Touro College Property:**

After several years of on-again, off-again discussions Touro College agreed to enter into a contract for sale of their property of approximately 250 acres on January 23, 2009. The agreement called for depositing \$500,000 in an escrow account for a five month period while we searched for potential fatal flaws in our use of the property. After this period, which ends on June 22, 2009 the \$500,000 becomes non-refundable and we have 30 days to complete the purchase of the property for a total of \$23.5 million. The closing date would therefore be on or before July 22, 2009. In the meantime we have initiated several studies to determine whether there might be additional hidden costs to our development of the property.



Re: Potential development of a third site outside New York City  
BA:BD June 12, 2009 No. 1163  
Page 3 of 5

*Dam and Spillway:* The property includes ownership of the dam that retains the lake adjacent to the property, which also is the source of the domestic water for the area. We hired an engineering firm to evaluate the condition of the earthen dam built in the early 1950s since New York State now holds property owners liable for maintenance of any dams on their property. The engineering firm found that the dam is in generally good condition but that it needs some maintenance that may cost approximately \$300,000. However, they also noted that current regulations may require that the spillway also be enlarged. This is under further investigation. If needed the spillway enlargement is expected to cost an additional \$600,000.

*Environmental Contamination:* Touro College commissioned several studies to determine whether there was any environmental contamination that would need to be remediated on the property since it was used earlier as a metals laboratory. Some contamination was found in the ground and asbestos was identified in the existing buildings. Touro College hired a contractor to remove the asbestos from the buildings, but the final sign-off has not been completed. Nothing was initiated with regard to the minor contamination detected in the ground. The non-asbestos cleanup costs were estimated to be near \$500,000 but more detailed information was needed. We hired an engineering firm to do the additional investigation and make an estimate of the clean-up costs. They confirmed that the cleanup costs would be less than \$500,000.

*Protected Species Investigation:* The environmental community has opposed development at several surrounding projects over the past few years due to the possible presence of Eastern Timber Rattlesnakes, which are a protected species in New York State. If snake dens are found on a property it could prevent potential development. Location of dens nearby does not usually prohibit construction, but it can slow down the approval process for a year or more to perform detailed studies and determine any needed mitigation. To determine whether there could be any significant delay to our development we hired an expert to do a study. The investigation has revealed that there are likely two previously unknown dens in the vicinity of the property. One is over a mile north and slightly west of the site. The presence of this den does not seem to present a problem due to its distance. One mile is usually the limit of travel distance for these snakes. The other den is much closer, but is on the northeast side of Long Meadow Road. Since the road itself presents a formidable barrier to any snake crossings this should not present problems as long as our development plans remain exclusively on the southwest side of Long Meadow Road.

*Zoning and Building Approvals:* Since entering into contract it was found that a religious group called Kings College received nearly complete approvals to develop a college for 1,600 persons on the property. This would have covered over 100 acres and included buildings up to 60 feet in height. The environmental impact of the proposal would have been more severe in nearly every way compared to what we would propose. The underlying zoning has been changed since this application. However, a meeting with key officials in the Town of Warwick revealed that our proposed use is in concert with the current zoning. We would need to obtain a Special Permit for our religious use, which is a discretionary approval. The officials stated that

Re: Potential development of a third site outside New York City  
BA:BD June 12, 2009 No. 1163  
Page 4 of 5

they were impressed with our plans and indicated that by going through the process of an Environmental Impact Statement our project had very good chances of being approved. We believe that this permit process would take about 18 months.

With the above information the Property Search Group believes that a recommendation to purchase the property can be made. Although there are no guarantees at this point that we can fully use the property as we intend, there were no "fatal flaws" found.

The Property Search Group previously stated that our offer for the property was higher than market value. In the present economic climate the market value has dropped further, although we have signed a contract to purchase it for \$23.5 million. An opportunity has presented itself, however, which may result in purchasing the property at a lower price. Touro College has stated that for internal reasons they would like to close on the property in June instead of July. Since the certainty of our success with developing on the site will not increase significantly over this time period we recommend offering to close on the property during June for a reduced price. Touro representatives have requested a meeting on Monday, June 15, to discuss an early closing. The Property Search Group will have further information to share afterwards that should help us determine just how much of a reduced price should be offered, if any.

### **Conclusion:**

Now that the Property Search Group has had the opportunity to make a comparative study of the two properties it appears that both properties have potential to be used as our future World Headquarters site. Both properties could provide a pleasant facility with room for some expansion. However, to date, the Town of Warwick has shown neither the level of sophistication nor the desire to extract high taxes for our use of the Touro property. Warwick will certainly want something in exchange for their granting a Special Use Permit, and it may include a ladder truck to serve our new facility. However, it appears that the expectations in Warwick are more modest than in Ramapo. An indication of this can be seen from comparing the special district taxes in Warwick with those of the Town of Ramapo. Attachment #2 entitled "Special District (Ad Valorem) Taxes" compares the ad valorem taxes in Ramapo and Warwick.

There are advantages to each of the two properties. Nevertheless, it appears that development at the Touro College site would result in significantly less cost. Attachment #3 entitled "Comparison of Development Costs" outlines the anticipated costs for each project. The \$14 million savings shown is what is believed to be the minimum savings between development on the two sites. Further, as previously conveyed to you, obtaining licenses to do Mechanical and Electrical work in Rockland is difficult and time-consuming. However, if we build in Rockland county these licenses will be necessary to accomplish ongoing maintenance. In view of all these factors we do not recommend pursuing development in Ramapo as our primary objective. We recommend that we move forward with the purchase of the Touro property. If it is possible

Re: Potential development of a third site outside New York City  
BA:BD June 12, 2009 No. 1163  
Page 5 of 5

to close earlier at a lower price, we recommend that. If not, then we recommend closing on July 22, 2009 at a cost of \$23.5 million. Meanwhile, we recommend *Option Two* noted above regarding the Sterling Mine Road property. That would be to move slowly and deliberately with a CBA and the adjustment to the zoning text. In this way, the Sterling Mine Road property can act as a backup in the unlikely event that there is a future roadblock in getting our approvals for the Touro College site.

We thank you for the opportunity to present these matters. We look forward to meeting with you along with the Property Search Group to discuss the matter on June 17, 2009.

Your brother,

{Signed by Harold Corkern for Leon Weaver, Jr.}

Leon Weaver  
For the U.S. Branch Committee

**Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A**

**Document 088**

***UNITED STATES BRANCH***  
BD:RA August 26, 2009 No. 1439

Via E-Mail

GOVERNING BODY

Re: Town of Ramapo – Community Benefit Agreement  
Ramapo Property – Repurchase Agreement

Dear Brothers:

We are in receipt of your letter GED:AH August 19, 2009, No. 1525G, in which you asked that representatives from our committee discuss at your meeting on August 26, 2009, several matters of interest regarding the Town of Ramapo's Community Benefit Agreement and the Ramapo property Repurchase Agreement. Attached are two letters from the Property Search Group that were prepared for the discussion.

The first letter, "Town of Ramapo – Community Benefit Agreement," addresses questions raised in your letter and provides information on what the brothers anticipate the costs to be if, (1) we choose not to develop the property and the original owner repurchases it at the end of two years, (2) we choose not to develop the property and the original owner is unable or unwilling to repurchase it, or (3) we choose to proceed with the development of the Ramapo property.

The second letter, "Ramapo Property – 155 Sterling Mine Road," addresses whether the proposed amendment to the Town of Ramapo RSH zoning district or any other potential act by Watchtower could provide the original owner a way to avoid repurchasing the property at the end of the two years if we exercise our right to require the repurchase of the property under the terms of the Repurchase Agreement.

Our committee has asked that the Property Search Group, Brother Moake, and Brother Reinmueller also attend the Governing Body meeting.

Thank you.

Your brothers,

**Signed by Harold L. Corkern for Leon Weaver, Jr.**  
For the U.S. Branch Committee

Attachments (2)

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 089**

**UNITED STATES BRANCH**

BD:RA July 10, 2009 No. 1263

Via E-Mail

GOVERNING BODY

Re: Tax Re-Assessment of Sterling Mine Road Property in the Town of Ramapo

Dear Brothers:

This is in response to your letter No. 1354G, dated GAX:AH July 1, 2009, in which you suggested that we “pursue a re-assessment of our property value due to the economic downturn, which would lead to a reduction in the tax amount.” As of this date the brothers have taken all the steps that due process allows for obtaining a re-assessment of our Sterling Mine Road property for this fiscal year and are now preparing a legal action against the Town of Ramapo. This is described in more detail below.

Before the March 1, 2009, deadline for filing for tax exemption in New York State, the Legal Department filed the appropriate applications for property tax exemption with the Town of Ramapo. On May 1, 2009, the Town of Ramapo released its Tentative Assessment Roll, and informed us in writing that our application had been denied. Prior to the deadline for filing a grievance, the Legal Department filed a Complaint on Real Property Assessment that addressed both the supposed technicality upon which the town denied the exemption and also requested a reduction in the assessed value. Because the brothers had slowed down negotiations and did not enter into the Community Benefit Agreement before the New York State deadline for granting exemption, the Town of Ramapo Board of Assessment Review again denied the exemption and did not reduce the property’s assessed value, which protected the town’s negotiation position. On July 1, 2009, the Town of Ramapo issued its Final Assessment Roll, which will be the basis for next year’s property taxes.

Since we disagree with the final decision of the town’s Board of Assessment Review, we may now only seek judicial review (legal action) by commencing a tax certiorari proceeding in New York State Supreme Court pursuant to Article 7 of the New York State Real Property Law. This legal action challenges the final assessment, and it must be filed in State Supreme Court no later than 30 days after the date that the final assessment roll is filed, which would be July 31, 2009.

The Legal Department has advised that recent legal precedents favor our chances of obtaining property tax exemption; however, they are researching how simultaneously proposing the same project in the Towns of Ramapo and Warwick might affect our position. Initiating legal action could be viewed as an adversarial action by the Town of Ramapo, which had encouraged us to sign the Community Benefit Agreement before the July 1, 2009, deadline for issuing the Final Assessment Roll. That would have given us property tax exemption while guaranteeing payments to the town. As directed in letter No. 1308G, dated GAX:AH June 18, 2009, the Property Search Group slowed down negotiations with the Town of Ramapo. At the same time, the



town indicated that signing this agreement is a requirement before it will consider issuing discretionary approvals for our project. You approved a budget that would start low and go up to \$1.3 million, whereas the town has asked for \$2.2 million. In view of this, the brothers sent the town a proposal for \$1.3 million plus payment of the first year's taxes, estimated at approximately \$350,000, and they expect to have a meeting with the town supervisor to discuss this further.

The brothers are also moving forward with the closing on the Long Meadow Road property in the Town of Warwick, tentatively scheduled for Tuesday, July 14, 2009. When our acquisition from Touro College becomes public knowledge there will likely be an effect on the Town of Ramapo's attitude toward our project. The Town might soften its negotiating stance in an effort to draw us away from the former Touro property, or it might take a stance in opposition to our project. The upcoming Town of Ramapo election in the fall may also play a role, as the current town supervisor is being challenged.

Based on the foregoing, our current legal option is to initiate legal action to obtain property tax exemption in the Town of Ramapo. It is possible that the brothers could temper the town's reaction by explaining that we are protecting our legal position during the ongoing negotiation. Conversely, allowing the July 31, 2009, deadline to pass might avoid an adversarial perception by the town, but it would weaken our negotiating position and require that we pay the full property taxes, estimated to be approximately \$350,000. Also, when our purchase of property in the Town of Warwick becomes public knowledge, this is more likely to influence how the Town of Ramapo perceives us. In either case, it seems best to wait until after we close on the Touro property before initiating any legal action in the Town of Ramapo.

In addition to the above, the brothers are also investigating alternative strategies to reduce next year's property taxes. If this matter is not otherwise resolved, they will "keep applying" to obtain a tax reduction on the property in harmony with the direction in your letter No. 1333G, dated GAX:AH June 24, 2009.

Thank you for considering this update.

Your brothers,

*Signed by Harold L. Corkern for Leon Weaver, Jr.*

For the U.S. Branch Committee

cc: Legal Department  
Alex Reinmueller  
Dan Rice



# Watchtower Bible and Tract Society of New York, Inc.'s Initial Disclosures—Exhibit A

## **Document 090**

RA:MCT August 26, 2009

U.S. BRANCH COMMITTEE  
c/o Leon Weaver

Re: Town of Ramapo – Community Benefit Agreement

Dear Brothers:

This is to provide information concerning the Ramapo property in harmony with letter No. 1525G from the Governing Body, GED:AH August 19, 2009. Each question or statement from that letter is shown in italics along with a response that has been prepared by the Property Search Group and Legal Department.

As background, we purchased the Ramapo property for \$11.5 million on February 27, 2009, with the provision that the seller would buy it back after two years if we decide not to develop it. If we decide to develop the property, then we pay an additional \$9.5 million for a total of \$21 million.

The Town of Ramapo must grant a discretionary adjustment in the zoning definition before we can develop our proposed project. Before the town supervisor will support our project, he requires that we enter into a Community Benefit Agreement which is like a payment in lieu of taxes for five years. If we enter into the Agreement, the Town has expressed a willingness to make the discretionary adjustment to the zoning, grant property tax exemption, and approve our project.

The Community Benefit Agreement stipulates that the Town receives payments totaling \$1.3 million over five years. (\$300,000 the first year and \$250,000 in years two through five). When the project is approved, an additional \$700,000 is to be paid toward the purchase of a fire truck. During the five years, any ad valorem taxes are included in the annual payments. After the five years are completed, no additional payments are required other than normal ad valorem taxes.

*We would like to know whether we are correct in our understanding that if we receive approvals to build at Touro and decide not to develop the Ramapo property, we will simply have to pay \$300,000 to the Town of Ramapo.*

If we decide not to develop the Ramapo property and exercise our right to require the original owner to buy back the property after two years and he repurchases the property, then we will only be responsible for payments that are due during our ownership. Therefore, our responsibility is \$550,000 (\$300,000 for year one and \$250,000 for year two).

U.S. BRANCH COMMITTEE

Re: Town of Ramapo – Community Benefit Agreement

RA:MCT August 26, 2009

Page 2

If we exercise our right to require the original owner to buy back the property after two years and he is either unable or unwilling to repurchase it, then our expense is \$550,000 (\$300,000 for year one and \$250,000 for year two), plus the property taxes of \$350,000 or more, for each subsequent year.

If we choose to proceed with the development of the property, the Agreement would remain in effect for the full five years and the annual payments would total \$1.3 million. Once we receive the project approval we would also be responsible to pay the \$700,000 towards the purchase of the fire truck. The total financial commitment based on the Community Benefit Agreement is \$2 million. We will also be responsible to pay ad valorem taxes annually after the five years.

*We note that, according to the agreement, we would have to pay the town \$1.3 million over five years if we decided to develop the property. What kind of payment would be expected after the five-year period?*

After the five years the developed property would remain exempt from property tax and we would only be responsible to pay the ad valorem taxes that are estimated to be \$86,545 in year six.

*Are there any other obligations that might be imposed?*

We are not aware of any other obligations that might be imposed beyond the \$700,000 payment for the fire truck. We normally allocate the sewer fee described in letter No. 1332, dated BA:BD July 24, 2009, and similar fees as property development costs that would be incurred whether or not a Community Benefit Agreement was in effect.

Thank you for the opportunity to comment on these matters. We look forward to your direction.

Your brother,

[ Signed by Daniel Rice ]

Daniel Rice

For the Property Search Group

c: Legal Department  
Alex Reinmueller

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 091**

# JEHOVAH'S WITNESSES

## OFFICE OF PUBLIC INFORMATION

***DRAFT***

*February 11, 2009*

### **Statement on Watchtower Property Search**

Jehovah's Witnesses are seeking to obtain property for an administrative center outside of New York City in New York State. The Witnesses are in the process of acquiring property in the Town of Ramapo, in Rockland County and in the Town of Warwick, in Orange County.

The principal offices of Jehovah's Witnesses have been located in Brooklyn for over 100 years, moving there from Allegheny, Pennsylvania (near Pittsburgh) on January 31, 1909. The Witnesses also have two other facilities in New York State: one in the Town of Shawangunk, in Ulster County, where the Witnesses have printing and shipping operations, and the other in the Town of Patterson, in Putnam County, which is the center for the Witnesses' missionary training and educational activities.

Watchtower's plan is to develop a center for administering the activity of Jehovah's Witnesses in the United States and in some 236 lands worldwide.

*Contact: David A. Semonian, telephone: (718) 560-5600*

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 092**

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**Property Search Update**  
Wednesday, February 18, 2009

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**Town of Ramapo, Rockland County**

Status:

- Meeting with Town Supervisor and Two appearances before Community Design Review Committee (CDRC), including February 18, 2009.
- Recommendation is for the town board to serve as SEQR lead agency (zoning amendment, special use permit), and planning board will only provide site plan approval.

Next Steps

- WOH to provide draft of zoning amendment to existing RSH zone.
- Design/Build to submit detailed conceptual plan to the CDRC.

Factors

- Timing – 12 to 15 months.
- Upcoming town election in November of 2009.

**Town of Warwick, Orange County**

Status:

- Meeting with Town Supervisor on Friday, February 6, 2009.

Next Steps

- Town of Warwick supervisor to tour Wallkill Bethel, possibly later this week.
- Receive proposal from Timber Rattlesnake Expert regarding arranging a meeting with DEC.
- Receive update from WOH regarding their discussion with PIPC regarding significance of the property.
- Receive proposal from Clough-Harbour & Associates engineering firm regarding dam safety study.
- Receive proposal from ATC Associates for environmental remediation in area of wastewater treatment plant.

Factors

- Currently tax exempt.
- NYSEG easement – NYSEG previously allowed relocation of easement away from lake.
- DEC lead agency – Due to proximity to New Jersey, boat launch, and PIPC, this seems more likely and would delay the SEQR process.
- Timing – 2 to 3 years.

**Town of Mount Pleasant, Westchester County**

Status

- Walk-through on Tuesday, February 17, 2009 with Eastern Consolidated.

Next Steps

- Receive pricing information from Legions of Christ.
- Review due diligence information provided by Legions of Christ.
- Meet with Town Supervisor

Factors

- Has 400,000 sq. ft. of existing buildings with similar uses to ours.
- Distressed seller – Legionaries of Christ difficulties.
- Currently tax exempt.
- Legionaries of Christ – current difficult relationship with the town, including RLUIPA suit.

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 093**



**UNITED STATES BRANCH**

BA:BD July 24, 2009 No. 1332

Via E-Mail

GOVERNING BODY

Re: Meeting with Town of Ramapo Supervisor on July 16, 2009

Dear Brothers:

In our letter No. 1259, dated BA:BK July 7, 2009, we advised that "the brothers are continuing to negotiate with the town on the proposed community benefit agreement. You approved a budget that would start low and go up to \$1.3 million, whereas the town has asked for \$2.2 million. In view of this, the brothers sent the town a proposal for \$1.3 million plus payment of the first year's property taxes, estimated at approximately \$350,000. They expect to have a meeting with the town supervisor soon to discuss this matter further."

In the meantime members of the Property Search Group met with the Village of Sloatsburg's mayor and the fire chief for the station that would provide fire protection for the Ramapo site. During that meeting the chief made it clear that to provide fire protection for buildings above two stories in height, their department would need a ladder truck. The chief stated that a used truck would not be acceptable due to its unknown history. They estimated that the cost of a new truck would be near \$900,000. They also stated that they needed a place to house the truck, since they do not have a bay for it. Upon further discussion, the chief acknowledged that there are occasionally trucks built for fire departments that are not delivered due to the present economy. If such a truck were located, it could probably be obtained at a substantial discount, perhaps as low as \$600,000. They stressed that although a new truck would service their whole district, the need for the truck would be triggered by our proposed multi-story buildings. Therefore the cost of the equipment should become our responsibility if construction begins; however, the building to house it would not necessarily be our responsibility.

Then on Thursday, July 16, 2009, representatives of the Property Search Group met with the Town of Ramapo supervisor and attorney to discuss proposed adjustments to the Community Benefit Agreement that the Town proposed. The original agreement specified annual payments of \$300,000 over five years totaling \$1.5 million plus \$700,000 towards a fire truck for the Village of Sloatsburg. The town supervisor reminded the brothers that their approval of our project is discretionary and that in his mind the Community Benefit Agreement was really non-negotiable. They said that they really want the Watchtower development as part of their town, but they feel the agreement they proposed is necessary to keep up with their expenditures and to satisfy their constituents. The brothers informed them that the agreement as written just does not fit our budget, and asked if there was any possibility to reduce the payments and/or the contribution toward the fire truck.

After some discussion the town supervisor said he would accept a reduction in the total payments to the Town of Ramapo. He indicated that the total could be reduced to \$1.3 million but that the first two years payments should be \$300,000 each. He accepted that the wording of the agreement could be adjusted with regard to the fire truck. Rather than referencing a specific dollar amount, the wording "a fire truck mutually agreeable to the applicant and the Sloatsburg Fire Department" could be used. However, he warned that without a stated cap we could eventually end up paying more than \$700,000. He also made it known that the town has an additional

sewer fee for increasing sewer service above the quantity that present zoning allows, of which we were not aware. However, he agreed that those fees could be reduced by the amount we would pay to extend that sewer. The brothers then thanked him for his time and noted that this "final proposal" by the Town was still beyond the budget they were given; however, they would present the information to our decision makers. In summary, the Town of Ramapo has made some concessions but requires a Community Benefit Agreement in the amount of \$1.3 million over five years plus a fire truck at the time of project approval, which is estimated to be approximately \$700,000. This yields a total commitment of \$2.0 million.

Therefore we present these matters for your consideration. We have received assurance from the Property Search Group and the Legal Department that entering into a Community Benefit Agreement will not endanger our agreement with the previous owner to repurchase the property in the future. They have also noted that, under the terms we have requested be included in the Community Benefit Agreement, if we sell the property, then there will be no obligation to continue with further payments to the town. Also under the terms that we have proposed, if we do not receive site plan approval, there will be no responsibility to contribute toward a fire truck. On a related note, if we choose not to enter the Community Benefit Agreement, this will detrimentally affect how the town views us. This would be important in the event that the Long Meadow Road property in the Town of Warwick proves unsuitable for our use.

We assume that the Legal Department may file for property tax exemption before the July 31, 2009, deadline since this is in harmony with your direction in letter No. 1403G, dated GED:AH July 15, 2009. However, we are seeking your direction concerning how to respond to the town's final proposal for a Community Benefit Agreement.

Your brothers,

{Signed by Leon Weaver, Jr.}  
For the U.S. Branch Committee

cc: Philip Brumley  
Alex Reinmueller  
Daniel Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 094**

***UNITED STATES BRANCH***

BA:BK September 29, 2009 No. 204

Via E-Mail

GOVERNING BODY

Re: Ramapo Property – Tax Status of Seven Acre Property in the Town of Tuxedo

Dear Brothers:

We appreciated your GED:AH September 23, 2009, letter No. 185G with an inquiry concerning the Ramapo Property. Specifically, you asked, “Would you please clarify why [the seven acre parcel in the Town of Tuxedo] does not qualify for tax exemption in Orange County?” We have considered this matter with the Real Property and Design/Build Departments.

In New York State, property tax exemption is based on “use” or “intended use” and not solely on ownership. The fact that a religious, not-for-profit entity owns the property does not in itself entitle the property to receive tax exemption. It must either be used for a qualified tax exempt purpose, or an application for a future intended tax exempt use must be in process. For example, residence buildings in Brooklyn receive tax exempt status except for any apartment occupied by a non-Watchtower tenant. Property tax is paid on that space.

Town of Ramapo, Rockland County

The brothers feel that submitting our proposal to build a religious administrative center on the Ramapo Property effectively demonstrates our intent to use the property for a religious, tax-exempt purpose. As has been reported, the Town of Ramapo denied our application and appeal for tax exemption in order to negotiate the terms of a Community Benefit Agreement. To protect our future position, as reported in BD:RA July 10, 2009, letter No. 1263, the Legal Department initiated legal action for tax exemption. The Town of Ramapo has indicated that once the Community Benefit Agreement is finalized, it will settle the legal action and grant tax exemption. The brothers are moving ahead to finalize this agreement as you directed in GAX:AH August 27, 2009, letter No. 1555G.

Town of Tuxedo, Orange County

Our proposal for a religious administrative center on the Ramapo Property does not include the small seven acre parcel in the Town of Tuxedo in the development plans because that would complicate the permitting process. If this small parcel were included in the development plans, then the Town of Tuxedo would also be involved in granting permits rather than just the Town of Ramapo. Therefore, when the Town of Tuxedo Tax Assessor reviewed our application for property tax exemption for the seven acre parcel, he decided that it was not being used for a tax-exempt purpose and required that it remain on the property tax roll. At the same time, as described in BA:BK June 30, 2009, letter No. 1230, “the seven-acre parcel in the Town of Tuxedo in Orange County received a 60% reduction in its property tax assessment.” Also, in harmony with your direction GAX:AH July 1, 2009, letter No. 1354G, the Real Property Department is continuing to “pursue a re-assessment of our property value due to the economic downturn, which would lead to a reduction in the tax amount.” In advance of next year’s taxes, the Real Property Department intends to acquire a third-party appraisal on the land to apply for a further tax reduction.

Since the parcel in the Town of Tuxedo may not be necessary for our use, in the future it may be possible to sell it separately, but we do not want to pursue this now since it might jeopardize the requirement for the previous owner to repurchase the entire Ramapo Property.

Thank you for considering this response.

Your brothers,

***Signed by Leon Weaver, Jr.***

For the U.S. Branch Committee

cc: Alex Reinmueller  
Daniel Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 095**

**WORLD HEADQUARTERS OF JEHOVAH'S WITNESSES**

25 Columbia Heights, Brooklyn, NY 11201-2483 • Tel. 718 560-5000

GAX:AH January 21, 2009 No. 644G

Via E-Mail

Branch Committee  
UNITED STATES

Re: Property Search - Touro and Sterling Mine Road Properties

Dear Brothers:

Thank you for your BA:BK January 15, 2009, letter No. 623, updating us on the status of the Touro and Sterling Mine Road properties. We are very interested in what you will find during the due diligence period prior to closing. You will be particularly pressed in the case of the Sterling Mine Road property since you only have 30 days after signing the contract.

With you, waiting for Jehovah's direction and blessing,

Your brothers,

Governing Body

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 096**



**WORLD HEADQUARTERS OF JEHOVAH'S WITNESSES**

25 Columbia Heights, Brooklyn, NY 11201-2483 • Tel. 718 560-5000

GAX:AH June 4, 2009 No. 1242G

Via E-Mail

Branch Committee  
UNITED STATES

Re: Property Search Update for May 12 - 26, 2009

Dear Brothers:

Thank you for your letter BA:BK May 27, 2009, No. 1096.

We agree that you should wait until we see how matters progress with the property at Warwick before negotiating a final commitment with the Town of Ramapo.

Please give us an update on the matter of the escrow money.

With you, keeping us on the watch.

Your brothers,

Governing Body

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 097**

**WORLD HEADQUARTERS OF JEHOVAH'S WITNESSES**

25 Columbia Heights, Brooklyn, NY 11201-2483 • Tel. 718 560-5000

GED:AH August 19, 2009 No. 1525G

Via E-Mail

Branch Committee  
UNITED STATES

Re: Meeting with Town of Ramapo Supervisor on July 16, 2009

Dear Brothers:

We are writing in response to your letter BA:BD July 24, 2009, No. 1332, in connection with a meeting that was held with the Town of Ramapo Supervisor on July 16, 2009. We understand that the town is demanding a community benefit agreement in the amount of \$1.3 million over five years, plus a fire truck at the approximate cost of \$700,000 at the time of project approval, for a total commitment of \$2 million.

While we agree in principle, we would like to discuss the matter further next Wednesday at 10:30 a.m. Among other things, we would like to know whether we are correct in our understanding that if we receive approvals to build at Touro and decide not to develop the Ramapo property, we will simply have to pay \$300,000 to the Town of Ramapo. We note that, according to the agreement, we would have to pay the town \$1.3 million over five years if we decided to develop the property. What kind of payment would be expected after the five-year period? Are there any other obligations that might be imposed?

This is the tenor of the questions that we have, and we will be glad to meet with the brothers you select to represent you next Wednesday morning. With deep appreciation for your hard work in behalf of the brotherhood, we are,

Your brothers,

Governing Body

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 098**

**UNITED STATES BRANCH**  
BA:RA February 10, 2009 No. 718

Via E-Mail

**GOVERNING BODY**

Re: Property Search Update – Week of February 3 to February 9, 2009

Dear Brothers:

This is to provide an update on the present status of the Sterling Mine Road and Touro College properties.

**STERLING MINE ROAD – TOWN OF RAMAPO, ROCKLAND COUNTY**

On February 3<sup>rd</sup>, the brothers were invited to present their informal application to the town's Community Design Review Committee. The proposal was well received, and the brothers were just informed that it will be formally presented to this town committee on February 18<sup>th</sup>. Two Rockland County attorneys and a local engineer were interviewed on February 4<sup>th</sup>, and the brothers are assembling a team consisting of an attorney, an engineer, and a planner to move ahead with the permitting process.

**TOURO COLLEGE – TOWN OF WARWICK, ORANGE COUNTY**

An attorney has been retained who arranged for a meeting with the town supervisor on Friday, February 6<sup>th</sup>. The town supervisor received the proposal favorably, and arrangements are being made for him to tour one or both of the upstate Bethel facilities after he returns from vacation in late February. In addition to continuing to research this property, the brothers have interviewed three local attorneys, a planner, and an engineer in order to assemble a team for the permitting process.

**OTHER MATTERS**

A site visit is being scheduled to tour a property owned by the Legions of Christ in the Town of Mount Pleasant, Westchester County. This tax-exempt property includes existing buildings, and more information should be available following the site visit.

We appreciate your invitation to meet on Wednesday, February 18<sup>th</sup>, at 10:30 a.m. The Property Search Group has informed us that their next meeting with the Town of Ramapo is scheduled on the same morning. Therefore, we wonder if it would be possible to meet with you in the early afternoon, perhaps at 2:30 p.m. or so. This would allow the brothers to attend the town meeting and provide feedback from that meeting in advance of the Sterling Mine Road property closing date on Monday, February 23<sup>rd</sup>. Our committee can see the advantage of the Property Search Group keeping their appointment as scheduled. If you agree, we will adjust our schedule accordingly.

Thank you for giving this your consideration.

Your brothers,  
**Signed by Harold L. Corkern for Leon Weaver Jr.**

For the U.S. Branch Committee

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 099**

**UNITED STATES BRANCH**  
XX:XX February 17, 2009 No. XXX

Via E-Mail

**GOVERNING BODY**

Re: Property Search Update – Week of February 10 to February 16, 2009

Dear Brothers:

This is to provide an update on the present status of the Sterling Mine Road and Touro College properties. As you directed in letter No. 748G, GAX:AH February 11, 2009, the brothers have informed both property owners that their properties are under consideration. A press release and draft table announcement are also being prepared.

In addition to the updates provided below, the brothers met with a respected Albany law firm on Friday, February 13<sup>th</sup>, to thoroughly review both properties and the various consultants under consideration. The law firm's lawyers commented that at this stage both properties seem to have potential for our use, and they identified information that should be gathered in order to fully assess each property. The brothers are moving ahead by ordering appropriate environmental and engineering-related studies.

**STERLING MINE ROAD – TOWN OF RAMAPO, ROCKLAND COUNTY**

Preparations are being made for the brothers to formally present an application to the town's Community Design Review Committee on Wednesday morning, February 18<sup>th</sup>. This will include discussing the approach of a zoning amendment. The brothers are continuing to obtain as much information concerning this property as possible before the closing date on Monday, February 23, 2009.

**TOURO COLLEGE – TOWN OF WARWICK, ORANGE COUNTY**

Arrangements are being made for the town supervisor to tour Wallkill Bethel after he returns from vacation in late February. A site visit to the town hall to obtain relevant records has been scheduled for Friday, February 20<sup>th</sup>. The brothers are continuing to research environmental, engineering, and regulatory subjects for this property.

**OTHER MATTERS**

A site visit has been scheduled for Tuesday morning, February 19<sup>th</sup>, to tour a property owned by the Legions of Christ in the Town of Mount Pleasant, Westchester County. This tax-exempt property includes existing buildings, and more information should be available following the site visit.

Thank you for giving this your consideration.

Your brothers,  
[Draft 2/16/09]

For the U.S. Branch Committee

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**Document 100**



**UNITED STATES BRANCH**  
BA:BH February 24, 2009 No. 762

Via E-Mail

GOVERNING BODY

Re: Property Search Update for Week of February 23-March 1, 2009

Dear Brothers:

This is to provide you with a brief update on the current standing of our property search matters. The closing for the Sterling Mine Road property in Rockland County will likely take place at the end of this week.

Regarding the Touro College property in southern Orange County, we are continuing with the due diligence process. On Thursday, February 26, 2009 the Town of Warwick supervisor, Michael Sweeton, our attorney Robert Krahulik, and potentially some other Town of Warwick board members will be arriving around 10:00 a.m. at the Wallkill complex for a tour of the facilities. Brothers Lon Schilling and Robert Pollock will provide the tour which will include lunch with the Bethel family, a review of the proposed project in the Town of Warwick, a brief question and answer session, and a tour of two typical Bethel family member's rooms. The tour and other discussions should conclude around 2:00 p.m. We look forward to updating you on the results of this tour next week.

In accordance with the direction provided in your letter GED:AH February 19, 2009 No. 788G we are looking into the price for the Legionnaires of Christ property. At present, the owners of the Legionnaires of Christ property seem reluctant to provide us with an asking price. However, the real estate agency handling the property has calculated that in 2007 the property was valued at \$81,703,111. Factoring in an estimated 35% reduction in the value of the property due to the current economic state the estimated value would be in the middle to upper 50 million dollar range. We are quick to add that these figures are merely estimates; they do not represent an asking price. We will continue to pursue the matter further so that a more definitive figure can be determined in the near future.

Thank you for the opportunity to provide this update. Our prayers are with you as you continue to give attention to these and other matters.

Your brothers,

{Signed by Leon Weaver, Jr.}  
For the U.S. Branch Committee

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 101**

**UNITED STATES BRANCH**  
XX:XX March 2, 2009 No. XXX

Via E-Mail

GOVERNING BODY

Re: Property Search Update for Week of February 23 to March 1, 2009

Dear Brothers:

This is to provide an update on recent property search developments.

**Sterling Mine Road (Lorterdan) – Town of Ramapo, Rockland County**

The closing on the Sterling Mine Road property in the Town of Ramapo in Rockland County took place on Friday, February 27<sup>th</sup>, without complication. Because the closing occurred in February, this allowed for the property tax exemption applications to be filed before the due date of March 1<sup>st</sup>. Applications were submitted in both the Town of Ramapo and the Town of Tuxedo, since approximately seven acres are in that town. We will need to wait to see whether tax exemption will be granted for the year 2009. In any event it is likely that the towns will seek some sort of payment or compensation in lieu of taxes.

In accordance with the most recent meeting with the Town of Ramapo Community Design Review Committee on February 18<sup>th</sup>, the brothers are moving forward with the Town to recommend a revision of the zoning text.

**Long Meadow Road (King's College/Touro College) – Town of Warwick, Orange County**

On Thursday, February 26<sup>th</sup>, the Town of Warwick supervisor toured Wallkill Bethel with our Warwick attorney. The tour included driving around the main complex, visiting the laundry, kitchen, printery, and typical residential rooms, and joining the Bethel family for lunch. The Warwick supervisor seemed very comfortable and commented favorably on what he observed. He will discuss our proposed project with the town planner and town attorney in order to identify the next steps. Of interest, the Town of Shawangunk supervisor (Wallkill Bethel property) was present for the entire tour and his presence proved helpful.

Records have been obtained from the town's files and are being analyzed to see if they can be used to advance our approvals process. Arrangements are also moving ahead for necessary environmental and engineering studies.

XX:XX March 3, 2009 No. XXX

Re: Property Search Update

Page 2

**Legionaries of Christ – Town of Mount Pleasant, Westchester County**

In accordance with your direction in the letter No. 788G, GED:AH February 19, 2009, the brothers have requested an asking price and are awaiting the owner's definitive response.

Thank you for the opportunity to provide this update.

Your brothers,

{Draft 3/3/09.}

For the U.S. Branch Committee

**Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A**

**Document 102**

**UNITED STATES BRANCH**

BA:BK March 17, 2009 No. 844

Via E-Mail

**GOVERNING BODY**

Re: Property Search Update for Week of March 9 – 15, 2009

Dear Brothers:

This weekly property search update is provided for your consideration.

**Sterling Mine Road (Lorterdan) – Town of Ramapo, Rockland County**

An application for a zoning amendment was prepared with assistance from our Legal Department, outside legal counsel, and town legal staff. We were informed that the Town of Ramapo Community Design Review Committee has postponed its consideration of the application by two weeks, to April 1, 2009. If it is considered complete, the committee will forward the application with their recommendation to the Town Board. More detailed site plans are also being prepared for review by town staff.

**Long Meadow Road (King's College/Touro College) – Town of Warwick, Orange County**

The property has been gated and is being made more secure. This week an engineering company is performing inspections on the dam. The protected species study is ready to proceed when weather permits, and a Request for Proposal is being sent for a Phase II Environmental Assessment Report. The brothers have also been discussing the best approach for obtaining permits with the town supervisor and they then intend to follow with the next step, which is to submit an official application.

**Legion of Christ – Town of Mount Pleasant, Westchester County**

As described in letter No. 831, BA:RA March 12, 2009, we are awaiting your direction concerning whether or not to present an offer to the broker for the seller's consideration.

Thank you for the opportunity to provide this update.

Your brothers,

**Signed by Harold L. Corkern for Leon Weaver, Jr.**

For the U.S. Branch Committee

cc: Alex Reinmueller  
Dan Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 103**

**UNITED STATES BRANCH**

BA:BK March 31, 2009 No. 902

Via E-Mail

GOVERNING BODY

Re: Property Search Update for Week of March 23 – 29, 2009

Dear Brothers:

This weekly property search update is provided for your consideration.

**Sterling Mine Road (Lorterdan) – Town of Ramapo, Rockland County**

A meeting was held with the Town of Ramapo Community Design Review Committee on Tuesday, March 24, 2009. We understand that the Town Board will consider our application in mid-April. On March 26, 2009, the purchase of this property was publicized by several newspapers with circulation in New York City and the Town of Ramapo. Since then, the Town of Ramapo and the adjacent Village of Sloatsburg, which provides fire protection, have separately reached out to inquire about what we will do for the community by means of a Payment In Lieu of Tax (PILOT) program, even though we have applied for tax exemption. The brothers are gathering information concerning their expectations.

**Long Meadow Road (King's College/Touro College) – Town of Warwick, Orange County**

The broker for this property was concerned that our purchase of the Sterling Mine Road (Lorterdan) property would affect this sale. He was informed that our interest remains strong and that we are proceeding with our due diligence by acquiring a protected species study, an engineering study of the dam, and a phase II environmental assessment. The brothers are scheduling a meeting with the town supervisor to discuss the approach for obtaining approvals.

**Legion of Christ – Town of Mount Pleasant, Westchester County**

The Legion of Christ administrators inquired about our interest in the property before leaving to attend a conference with their decision-makers in Rome, Italy. The \$43 million offer that you authorized in letter No. 906G, dated GAX:AH March 18, 2009, was verbally presented by the broker. We await their reply. As you are aware, members of the Branch Committee and Governing Body are also scheduled to depart from Brooklyn at 10:00 AM on Thursday, April 2, 2009 to visit the property.

Thank you for considering this update.

Your brothers,

**Signed by Leon Weaver, Jr.**

For the U.S. Branch Committee

cc: Alex Reinmueller  
Daniel Rice



Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 104**

**UNITED STATES BRANCH**

BA:BK April 7, 2009 No. 927

Via E-Mail

GOVERNING BODY

Re: Property Search Update for Week of March 30 to April 5, 2009

Dear Brothers:

This weekly property search update is provided for your consideration.

**Sterling Mine Road (Lorterdan) – Town of Ramapo, Rockland County**

Preparations are continuing for the first meeting with the Town Board on April 20, 2009. The site layout is being refined to incorporate survey and aerial photography data, discussions have continued with the water and sewer utility company, and information is being gathered regarding possible requests for a Payment in Lieu of Taxes (PILOT) by the Town of Ramapo and the adjacent Village of Sloatsburg.

**Long Meadow Road (King's College/Touro College) – Town of Warwick, Orange County**

Due diligence work is ongoing. The engineering study of the dam is nearly complete, a protected species study will begin when the weather warms up, and responses are being received to the request for proposal for a phase II environmental assessment. The brothers are working to schedule a meeting with the town supervisor to discuss the approach for obtaining approvals.

**Legion of Christ – Town of Mount Pleasant, Westchester County**

Based on the Catholic Church's probe into the entire Legion of Christ organization, the Property Search Group plans on sending a letter that documents our interest in the property and makes mention of the \$43 million offer that you authorized in letter No. 906G, dated GAX:AH March 18, 2009. This letter would then be available to the Legion of Christ's superiors as they conduct their review over the coming months, with the intent that it might serve as an incentive to proceed with the sale of the property.

Thank you for considering this update.

Your brothers,

**Signed by Harold L. Corkern for Leon Weaver, Jr.**

For the U.S. Branch Committee

cc: Alex Reinmueller  
Daniel Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 105**

**UNITED STATES BRANCH**  
XX:XX April 14, 2009 No. XXX

Via E-Mail

**GOVERNING BODY**

Re: Property Search Update for Week of April 6 – 12, 2009

Dear Brothers:

In this weekly property search update, we are seeking your direction on an urgent matter involving the Sterling Mine Road property, and we would like to inform you of a separate urgent matter involving the Long Meadow Road property.

**Sterling Mine Road (Lorterdan) – Town of Ramapo, Rockland County**

The first meeting with the Ramapo town board concerning our project's proposed zoning amendment is scheduled for Monday, April 20, 2009, and property tax exemption will almost certainly be an issue. Yesterday a regional newspaper reported on our filing for property tax exemption, and the Town of Ramapo supervisor has asked for a discussion this week, in advance of the town board meeting. Before this discussion, it would be very valuable for the Property Search Group to have the thinking of the Branch Committee and Governing Body on this matter. This could allow for a positive presentation of what Watchtower may or may not be able to do, which might avoid a situation where town board members express elevated expectations that further stir up community sentiment and could affect the town's issuance of a zoning amendment and necessary permits.

The projected property taxes from the approved senior housing development would have been over \$2 million annually. In exchange for approvals, the previous property owner made a commitment to the fire department to purchase a new ladder truck at an approximate cost on the order of approximately \$750,000. In January, when our project was first presented to the Town of Ramapo, a director on the town's staff mentioned that the impact of lost taxes on the town could be lessened by making a payment in lieu of taxes (PILOT) that decreases by 20% increments each year over a five year period.

**Long Meadow Road (King's College/Touro College) – Town of Warwick, Orange County**

On Wednesday, April 8, 2009, a telephone call was received concerning a problem involving the escrow company handling this transaction, Liberty Title Agency, LLC. The Legal Department was notified. On Friday, April 10, 2009, a Long Island, New York newspaper reported that the four title insurance companies that Liberty Title represents

XX:XX April 14, 2009 No. XXX

Re: Property Search Update

Page 2

have filed a civil lawsuit against the company, its owner, his wife, and its attorney for embezzling funds. The brothers were informed that the \$500,000 deposit that we placed in escrow with this company for the Long Meadow Road property is gone. The Legal Department has reached out to the title insurance companies that have filed the lawsuit, to the United States attorney, and to the company itself to establish our legal position and determine what options might be available. We will provide additional updates as soon as they become available.

Concerning the property itself, due diligence work is ongoing. The initial engineering study of the dam is complete, and some additional recommended study is being pursued. A protected species study will begin soon, and the proposals for a phase II environmental assessment are being analyzed. The brothers also anticipate having a meeting with the town supervisor during the week of April 20, 2009 to discuss the approach for obtaining approvals.

#### **Legion of Christ – Town of Mount Pleasant, Westchester County**

There are no new developments with this property. As described last week, the Property Search Group plans on sending a letter that documents our interest in the property and makes mention of the \$43 million offer that you authorized in letter No. 906G, dated GAX:AH March 18, 2009. This letter would then be available to the Legion of Christ's superiors as they conduct their review over the coming months, with the intent that it might serve as an incentive to proceed with the sale of the property.

Thank you for considering this update, and we look forward to your direction.

Your brothers,

**Draft 4/14/09**

For the U.S. Branch Committee

cc: Alex Reinmueller  
Daniel Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 106**

**UNITED STATES BRANCH**

BA:BK April 16, 2009 No. 940

Via E-Mail

GOVERNING BODY

Re: Property Search Update for Week of April 6 – 12, 2009

Dear Brothers:

We were planning to provide you a detailed weekly property search update as usual. However, most of the information we were planning to send you was discussed during our meeting with you yesterday afternoon.

In connection with the Sterling Mine Road (Lorterdan) property in the Town of Ramapo, we appreciated your direction on how to proceed with the town representatives and the matter of taxes. Thank you also for your direction as to your desire to continue in negotiation with representatives of the Long Meadow Road (King's College/Touro College) property in the Town of Warwick, Orange County. We have stressed to Brother Rice the importance of clearly confirming that the escrow difficulties will not be an impediment to proceeding in negotiations with the Touro group. In connection with the Legion of Christ property in the Town of Mount Pleasant, Westchester County, you mentioned that you do not wish for our organization to get involved with further correspondence with them at this time. We have conveyed your clear direction on these three properties to the brothers comprising the Property Search Group and they will follow through accordingly.

Thank you for noting this. We will send you next week a more detailed property search update as we have been doing till now.

Your brothers,

***Signed by Leon Weaver, Jr.***

For the U.S. Branch Committee

cc: Alex Reinmueller  
Daniel Rice

Watchtower Bible and Tract  
Society of New York, Inc.'s  
Initial Disclosures—Exhibit A

**Document 107**



**UNITED STATES BRANCH**

BA:BK April 21, 2009 No. 962

Via E-Mail

**GOVERNING BODY**

Re: Property Search Update for Week of April 13 – 19, 2009

Dear Brothers:

This weekly property search update is provided for your consideration.

**Sterling Mine Road (Lorterdan) – Town of Ramapo, Rockland County**

The Ramapo town board has rescheduled our first appearance regarding a zoning amendment to Monday, May 11, 2009. In advance of that meeting, the town supervisor has asked us for a discussion of our property tax exemption filing and how we might be able to assist the local community. That discussion should be scheduled within a week or so.

**Long Meadow Road (King's College/Touro College) – Town of Warwick, Orange County**

As you directed, Touro College has been assured that the problems that occurred with the escrow funds have not affected our ability to close and that the necessary due diligence studies are being conducted. These environmental and engineering studies are progressing satisfactorily, and the brothers are working to schedule a meeting with the town supervisor to discuss the best approach for seeking approvals.

**Legion of Christ – Town of Mount Pleasant, Westchester County**

In harmony with your direction, the brothers have informed the broker that we will not present a written offer. The broker will continue to monitor the status of the property and inform us if the religious order decides to sell. The due diligence materials have been returned at the Legion of Christ's request.

Thank you for considering this update.

Your brothers,

***Signed by Leon Weaver, Jr.***

For the U.S. Branch Committee

cc: Alex Reinmueller  
Daniel Rice